



5673.0.55.003 - Wage and Salary Earner Statistics for Small Areas, Time Series, 2009-10

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INTRODUCTION

In 2009-10, nearly 9.8 million Australians derived income from Wages and salaries. Almost \$479 billion - about 81% of all income reported by Australia's taxpayers - was earned from Wages and salaries in 2009-10. While average Wage and salary income for Australia was \$48,907, males recorded a higher average of \$58,813 compared with \$38,255 for females. In addition, younger people (aged 15-34 years) recorded an average Wage and salary income of \$37,956, well under the overall national average (\$48,907). In occupation terms, Managers recorded the highest average Wage and salary income in 2009-10 (\$75,749), followed by Professionals (\$66,196) and Technicians and Trades Workers (\$51,835).

As the economic well-being of most Australians is largely determined by the amount of income they receive, the analysis of geographical variations in Wages and salaries over time can provide valuable information about relative advantage and disadvantage in regions and the nature of regional economies in general. While not directly covered by the information in this publication, wealth is also recognised as an important contributor to economic well-being; some people on low incomes may have property and business assets to draw on, whilst others on high incomes may also have high levels of debt.

Using the Australian Statistical Geography Standard (ASGS), data are provided for a variety of new regions: Statistical Area Level 2 (SA2s); Statistical Area Level 3 (SA3s); Statistical Area Level 4 (SA4s); and Greater Capital City Statistical Area (GCCSAs). Local Government Area (LGA) details are also provided, along with state and territory information.

Wage and salary statistics in this issue are presented for the 2009-10 financial year primarily, although some time series information is available in the data cubes attached to this publication. A new time series of Wage and salary statistics will be released in 2013.

The concept of Wage and salary income can change over time. For the 2009-10 data, Other net foreign employment source income and Reportable fringe benefits (gross value adjusted) have been included (for the first time) in Wage and salary income. These inclusions have had a minor effect on total Wage and salary income - insufficient to call a series break.

This article illustrates ways that Wage and salary data can be used to explore regional variations in income. Further analysis of regional incomes can be undertaken using the data contained in the spreadsheets in the Downloads tab of this release.

The statistics have been compiled using aggregated individual income tax data for postcodes from the Australian Taxation Office (ATO). The Australian Bureau of Statistics (ABS) has confidentialised and transformed the source data further, to enable release under the new ASGS.

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On average, Australians earned \$48,907 in Wages and salaries income in 2009-10. Table 1 shows the Australian Capital Territory with the highest average of \$57,749, followed by Western Australia (\$53,227) and New South Wales (\$50,943). The lowest average Wage and salary income levels were recorded by Tasmania (\$41,673) and South Australia (\$44,141).

Average Wage and salary levels were higher in the Greater Capital City Statistical Areas compared with the rest of each state or territory. This held for all jurisdictions.

The largest percentage of Australia's 9,787,143 Wage and salary earners were found in New South Wales (31.5%), Victoria (24.8%), Queensland (20.2%) and Western Australia (10.8%), reflecting in part the larger populations in those states. Table 1 summarises the key findings for 2009-10:

Table 1. WAGE AND SALARY EARNERS SUMMARY, AUSTRALIA, 2009-10

Region	Wage and salary earners no. (a)	Wage and salary earners as a % of Australian total (a)	Total Wages and salaries income \$ billion (a)	Wages and salaries income as a % of Australian total (a)	Average Wage and salary income \$
New South Wales	3 087 054	31.5	157.3	32.9	50 943
Greater Sydney	2 047 048	20.9	111.3	23.2	54 354
Rest of NSW	1 030 457	10.5	45.3	9.5	43 992
Victoria	2 431 791	24.8	115.2	24.1	47 363
Greater Melbourne	1 855 721	19.0	91.6	19.1	49 342
Rest of Victoria	569 346	5.8	23.2	4.8	40 786
Queensland	1 980 433	20.2	93.2	19.5	47 054
Greater Brisbane	986 406	10.1	48.6	10.2	49 251
Rest of Queensland	991 336	10.1	44.5	9.3	44 835
South Australia	703 825	7.2	31.1	6.5	44 141
Greater Adelaide	554 657	5.7	25.2	5.3	45 357
Rest of South Australia	148 403	1.5	5.9	1.2	39 497
Western Australia	1 057 477	10.8	56.3	11.8	53 227
Greater Perth	838 288	8.6	45.2	9.4	53 864
Rest of WA	212 857	2.2	10.7	2.2	50 235
Tasmania	218 784	2.2	9.1	1.9	41 673
Greater Hobart	97 171	1.0	4.3	0.8	43 863
Rest of Tasmania	121 168	1.2	4.8	1.0	39 898
Northern Territory	98 940	1.0	5.0	1.0	50 746
Greater Darwin	61 312	0.6	3.3	0.7	53 055
Rest of NT	24 769	0.3	1.2	0.3	46 606
Australian Capital Territory	189 089	1.9	10.9	2.3	57 749
Australia (b)	9 787 143	100.0	478.7	100.0	48 907

(a) State and territory totals do not match the sum of their components due to the inclusion of 'region unknown' and rounding.

(b) Totals for Australia include data for Wage and salary earners from the Other Territories and region/s unknown.

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AVERAGE WAGE AND SALARY INCOME BY SEX AND AGE, 2009-10

In Australia in 2009-10, the annual average Wage and salary income for persons was \$48,907. Males recorded a higher average (\$58,813) than females (\$38,255). This difference held for all jurisdictions. For example, in New South Wales, the averages were \$60,731 for males and \$40,333 for females, while in Tasmania, the corresponding levels were \$49,178 and \$33,882 respectively. Similarly, this difference held for Greater capital city regions and the Rest of state/territory, as shown by Table 2 below. For example, males in Queensland recorded average Wage and salary incomes of \$58,860 in Greater Brisbane and \$54,722 in the Rest of Queensland, while the corresponding regional levels for females were \$39,080 and \$34,221 respectively.

A number of factors may be influencing the lower average Wage and salary income levels observed for females across all regions. For example, greater female participation in part-time work or fewer females in higher paid management positions. While the occupations of females can be analysed using this data source, other ABS data sources can be used to analyse hours of work and earnings. For more information, see *Labour Force, Australia* (cat. no. 6202.0) and *Average Weekly Earnings, Australia* (cat. no. 6302.0)

Table 2. AVERAGE WAGE AND SALARY INCOME BY SEX AND SELECTED AGE GROUPS, AUSTRALIA, 2009-10

Region	Males 15-34 years \$	Females 15-34 years \$	Persons 15-34 years \$	Males Total (a) \$	Females Total (a) \$	Persons Total (a) \$
New South Wales	43 451	33 835	38 846	60 731	40 333	50 943
Greater Sydney	44 644	36 275	40 618	64 545	43 244	54 354
Rest of NSW	40 766	28 202	34 805	52 818	34 563	43 992
Victoria	40 931	32 384	36 795	56 642	37 434	47 363

Greater Melbourne	41 766	33 782	37 892	58 891	39 103	49 342
Rest of Victoria	37 841	27 143	32 709	49 040	32 036	40 786
Queensland	42 809	31 232	37 226	56 803	36 654	47 054
Greater Brisbane	42 503	33 107	37 933	58 860	39 080	49 251
Rest of Queensland	43 142	29 196	36 471	54 722	34 221	44 835
South Australia	39 218	30 034	34 797	52 350	35 525	44 141
Greater Adelaide	39 415	30 924	35 286	53 662	36 771	45 357
Rest of South Australia	38 401	26 094	32 733	47 421	30 722	39 497
Western Australia	49 255	32 998	41 586	67 199	37 621	53 227
Greater Perth	48 478	33 555	41 408	67 789	38 474	53 864
Rest of WA	52 383	30 536	42 239	64 240	34 104	50 235
Tasmania	37 203	27 733	32 650	49 178	33 882	41 673
Greater Hobart	37 208	29 613	33 447	51 391	36 467	43 863
Rest of Tasmania	37 228	26 010	31 974	47 471	31 681	39 898
Northern Territory	45 648	34 945	40 563	58 077	42 689	50 746
Greater Darwin	47 842	36 880	42 739	60 652	44 506	53 055
Rest of NT	41 290	31 601	36 478	53 350	39 518	46 606
Australian Capital Territory	46 418	39 974	43 218	65 808	49 683	57 749
Australia (a)	42 964	32 547	37 956	58 813	38 255	48 907

(a) All Wage and salary earners aged 15 years and over.

(a) Includes region 'unknown' and Other territories.

As Table 2 (above) shows, younger people had lower annual average Wage and salary income levels. For Australia, persons aged 15-34 recorded an average of \$37,956 compared with the overall (all people aged 15 and over) level of \$48,907.

Younger people in the Australian Capital Territory (\$43,218) and Western Australia (\$41,586) recorded the highest average Wage and salary incomes. Conversely, Tasmania and South Australia had the lowest averages for 15-34 year olds.

Males aged 15-34 years in the Rest of Western Australia recorded the highest average Wage and salary income (\$52,383).

Table 2 indicates that there were no States or territories where people aged 15-34 recorded higher average Wage and salary incomes outside of the capital city region.

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AVERAGE WAGE AND SALARY INCOME BY OCCUPATION, 2009-10

In Australia in 2009-10, Managers recorded the highest average Wage and salary income of \$75,749, followed by Professionals (\$66,196) and Technicians and Trades Workers (\$51,835). Table 3 below shows this ranking order held across all states and territories, and for all Greater capital city statistical areas and beyond. There was one exception: in the Australian Capital Territory, Clerical and Administrative Workers were ranked third.

Of all occupations, Sales workers had the lowest Wage and salary income with a national average of \$29,710 - and this varied from \$31,847 (highest average) in the Northern Territory down to \$26,573 (lowest average) in Tasmania.

As Table 3 shows, the highest average Wage and salary incomes for Technicians and Trades Workers, Machinery Operators and Drivers, and Labourers were recorded in Western Australia. Moreover, people working in these occupations outside of Perth recorded higher incomes on average than those working in the capital city, which is the reverse of the general pattern (of higher incomes in metropolitan regions). This result may reflect the higher wages offered for work in mining and related building activity in rural and remote Western Australia.

Table 3. AVERAGE WAGE AND SALARY INCOME BY OCCUPATION, AUSTRALIA, 2009-10

Region	Managers	Profession- als	Technicians and Trades Workers	Community and Personal Services Workers	Clerical and Admin- istrative Workers	Sales Workers	Machinery Operators and Drivers	Labourers	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
New South Wales	82 116	68 968	49 587	34 414	41 215	30 758	50 579	31 032	50 943
Greater Sydney	88 918	72 320	49 032	34 878	43 284	33 174	46 179	31 106	54 354
Rest of NSW	61 876	60 145	50 519	33 713	36 468	26 507	56 883	31 021	43 992
Victoria	74 169	62 035	48 604	31 915	39 716	29 907	45 969	31 875	47 363
Greater Melbourne	78 436	64 196	48 732	32 071	41 057	31 108	45 092	32 015	49 342
Rest of Victoria	55 971	53 258	48 252	31 416	34 569	25 969	48 189	31 629	40 786
Queensland	68 023	66 373	53 382	32 556	38 754	28 913	54 422	31 868	47 054
Greater Brisbane	75 331	69 283	51 404	32 884	41 129	30 063	46 551	31 768	49 251
Rest of Queensland	59 769	62 407	54 998	32 245	36 024	27 870	60 544	31 953	44 835
South Australia	66 168	60 785	48 247	32 880	39 106	27 708	46 877	29 999	44 141
Greater Adelaide	68 939	62 100	47 899	33 388	40 077	28 333	44 742	29 743	45 357

Rest of South Australia	53 518	52 987	49 404	31 003	34 261	25 320	51 842	30 505	39 497
Western Australia	79 151	72 099	63 276	33 500	41 558	30 336	63 142	36 322	53 227
Greater Perth	82 677	73 558	61 422	33 636	42 238	30 723	59 555	35 993	53 864
Rest of WA	62 088	62 928	69 377	32 948	37 967	28 472	71 278	36 706	50 235
Tasmania	59 103	59 469	46 061	31 515	36 584	26 573	45 308	29 893	41 673
Greater Hobart	63 407	61 526	45 497	33 244	38 585	27 361	41 424	28 576	43 863
Rest of Tasmania	54 880	57 185	46 474	30 086	34 602	25 967	46 980	30 537	39 898
Northern Territory	70 201	64 906	59 367	42 335	43 894	31 847	56 670	31 521	50 746
Greater Darwin	74 528	68 111	59 102	46 315	45 041	32 695	55 017	33 519	53 055
Rest of NT	57 423	60 830	59 528	37 981	42 097	28 883	57 228	29 612	46 606
Australian Capital Territory	88 276	70 928	50 448	36 123	50 804	26 710	44 060	28 264	57 749
Australia (a)	75 749	66 196	51 835	33 272	40 403	29 710	51 623	31 819	48 907

(a) Includes Other territories, and regions and occupations 'unknown'.

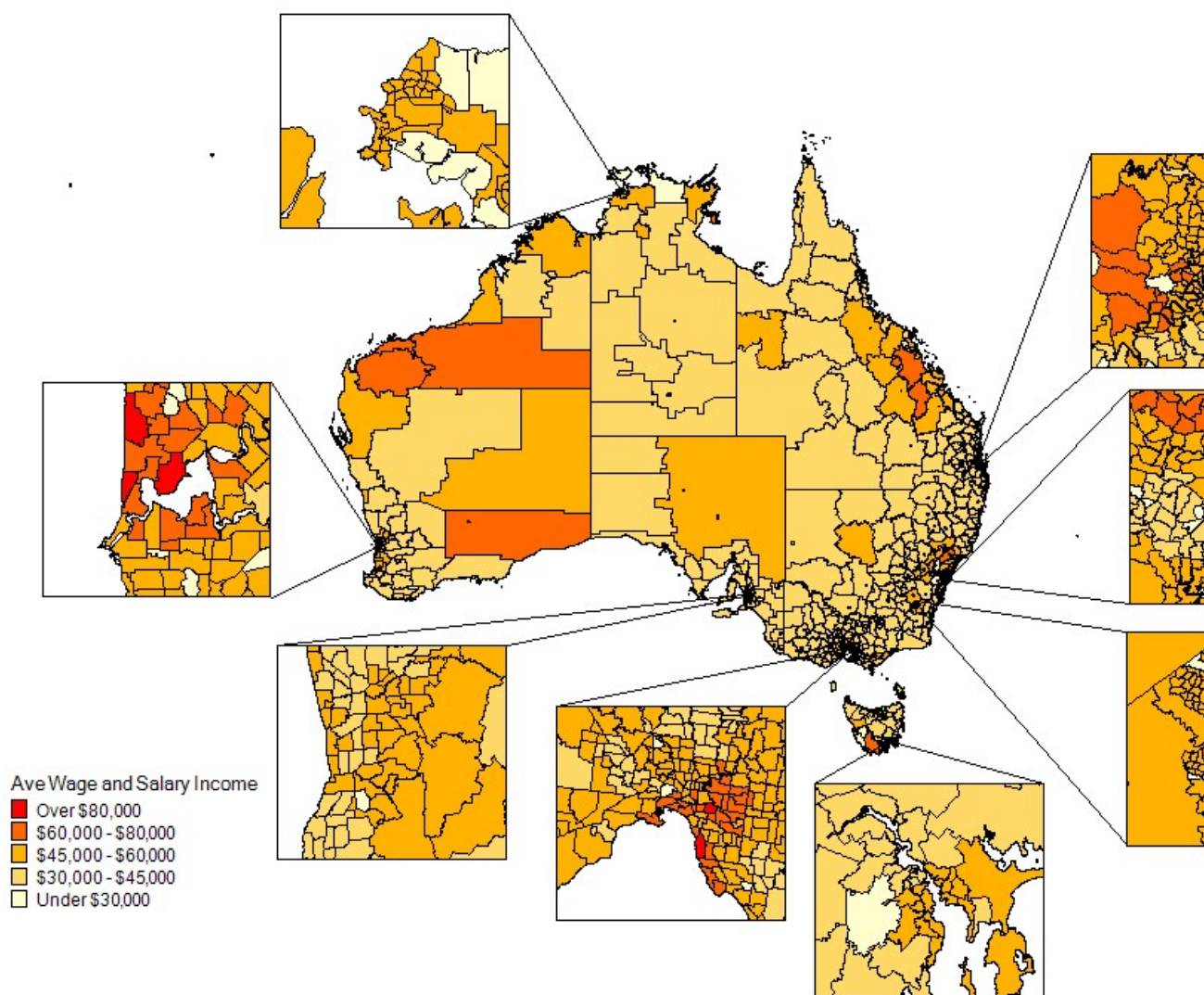
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REGIONAL VARIATIONS IN WAGES AND SALARIES INCOME, 2009-10

Greater Sydney provided nine out of Australia's top ten regions, in terms of having the highest average Wage and salary income. Mosman was ranked first, recording an average of \$111,048, well above the national average of \$48,907. Next ranked were Woollahra (\$93,530), Hunters Hill - Woolwich (\$91,879), Double Bay - Bellevue Hill (\$91,841), Willoughby - Castle Cove - Northbridge (\$91,605), Balmain (\$90,548) and Lindfield - Roseville (\$89,585).

City Beach (\$86,612) in Greater Perth was the one Statistical area level 2 (SA2) region outside of Sydney to feature in the national, top ten listing. Map 1 shows the distribution of average Wage and salary income for all SA2s in Australia.

Map 1. AVERAGE WAGE AND SALARY INCOME - by Statistical Area Level 2, Australia, 2009-10



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TOP FIVE AVERAGE WAGE AND SALARY INCOME REGIONS, BY STATE AND TERRITORY, 2009-10

NEW SOUTH WALES

The SA2 of Mosman, on Sydney's north shore, recorded the highest annual average Wage and salary income in Greater Sydney, NSW, and Australia with a value of \$111,048. Greater Sydney also had next four top average income regions, all over \$90 000, with Woollahra (\$93,530), Hunters Hill - Woolwich (\$91,879), Double Bay - Bellevue Hill (\$91,841) and Willoughby - Castle Cove - Northbridge (\$91,605).

The SA2 with the highest average Wage and salary income outside of the Greater Sydney area was Queanbeyan West - Jerrabomberra (\$63,287) near the Australian Capital Territory border. Other SA2s with high averages in the Rest of state included Singleton (\$62,975), Singleton Region (\$62,571), Thirroul - Austinmer - Coalcliff (\$59,173), and Muswellbrook (\$57,584). Singleton, Singleton Region and Muswellbrook are all located in the Hunter Valley region which is dominated by coal mining and power generation.

In 2009-10, 28.2% (or 146 in number) of SA2 regions in New South Wales had average Wage and salary incomes above the state average (\$50,943).

Table 4. TOP AVERAGE WAGE AND SALARY INCOME REGIONS, NEW SOUTH WALES, 2009-10

		2009-10
Top 5 SA2s (a)		\$
Greater Sydney GCCSA		
	Mosman	111 048
	Woollahra	93 530
	Hunters Hill - Woolwich	91 879
	Double Bay - Bellevue Hill	91 841
	Willoughby - Castle Cove - Northbridge	91 605
Greater Sydney GCCSA		54 354
Rest of NSW		63 287
	Queanbeyan West - Jerrabomberra	62 975
	Singleton	62 571
	Singleton Region	59 173
	Thirroul - Austinmer - Coalcliff	57 584
	Muswellbrook	
Rest of NSW (b)		43 992
New South Wales (c)		50 943

(a) Excludes SA2 regions with less than 100 Wage and salary earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

VICTORIA

In 2009-10, the inner-city SA2s of Brighton (\$82,717), Toorak (\$80,762), and Albert Park (\$77,817) recorded Victoria's highest average Wage and salary income. Armadale (\$73,415) and Port Melbourne (\$73,401) completed Greater Melbourne's top five Wage and salary income regions.

Outside of Greater Melbourne, the highest average Wage and salary incomes were recorded in the SA2s of Woodend in the Macedon Ranges (\$52,375) and Traralgon in the Gippsland region (\$50,540). Other areas with high average Wage and salary incomes were the SA2s of Yallourn North – Glengarry (\$50,191), Newtown (\$50,176) and Lara (\$48,428).

In 2009-10, 35.0% (or 147 in number) of SA2s in Victoria had average Wage and salary incomes above the state level (\$47,363). Of these SA2s, nine were located outside of the Greater Melbourne region.

Table 5. TOP AVERAGE WAGE AND SALARY INCOME REGIONS, VICTORIA, 2009-10

		2009-10
Top 5 SA2s (a)		\$
Greater Melbourne GCCSA		
Greater Melbourne GCCSA	Brighton	82 717
	Toorak	80 762
	Albert Park	77 817
	Armadale	73 415
	Port Melbourne	73 401
		49 342

Rest of Vic		52 375
	Woodend	50 540
	Traralgon	50 191
	Yallourn North - Glengarry	50 176
	Newtown	48 428
	Lara	
Rest of Vic (b)		40 786
Victoria (c)		47 363

(a) Excludes SA2 regions with less than 100 Wage and salary earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

QUEENSLAND

In 2009-10, the three highest average Wage and salary income SA2s in Queensland were located outside of the Greater Brisbane area - in the mining regions of Moranbah (\$79,006) and Broadsound - Nebo (\$72,672). Other SA2s with high averages in the Rest of state included Central Highlands - East (\$67,476), Mount Isa (\$60,066) and Emerald (\$59,810).

The inner-city SA2 of Bulimba and the western SA2 of Fig Tree Pocket had the highest average incomes in Greater Brisbane - at \$69,704 and \$69,672 respectively. Brookfield - Kenmore Hills, Kenmore and Chapel Hill rounded out the top five in Greater Brisbane.

In 2009-10, 39.8% of SA2 regions (or 203 in number) in Queensland had average incomes above the state average (\$47,054). Of these SA2s, 131 were located within the Greater Brisbane region.

Table 6. TOP AVERAGE WAGE AND SALARY INCOME REGIONS, QUEENSLAND, 2009-10

		2009-10
Top 5 SA2s (a)		\$
Greater Brisbane		
GCCSA		
Greater Brisbane	Bulimba	69 704
GCCSA	Fig Tree Pocket	69 672
	Brookfield - Kenmore Hills	69 664
	Kenmore	69 658
	Chapel Hill	69 499
		49 251
Rest of Qld		79 006
	Moranbah	72 672
	Broadsound - Nebo	67 476
	Central Highlands - East	60 066
	Mount Isa	59 810
	Emerald	
Rest of Qld (b)		44 835
Queensland (c)		47 054

(a) Excludes SA2 regions with less than 100 Wage and salary earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

SOUTH AUSTRALIA

The inner-city SA2s of Glenside - Beaumont, and Unley - Parkside had the highest annual average Wage and salary incomes in Greater Adelaide - at \$58,530 and \$56,929 respectively. Toorak Gardens, Mitcham and Walkerville also had high averages within Greater Adelaide.

Roxby Downs, a mining region in the state's north, had the highest average Wage and salary income outside of the Greater Adelaide area (\$71,281). It also recorded the highest average Wage and salary income in South Australia. Also prominent were the Outback SA2 (\$50,344) in the north of the State, Whyalla (\$49,970), Tanunda (\$45,848) and Port Augusta (\$45,814).

In 2009-10, 37.3% (or 60 in number) of SA2 regions in South Australia had average Wage and salary incomes above the state average (\$44,141). Of these SA2s, 54 were located in the Greater Adelaide region.

Table 7. TOP AVERAGE WAGE AND SALARY INCOME REGIONS, SOUTH AUSTRALIA, 2009-10

		2009-10
Top 5 SA2s (a)		\$
Greater Adelaide GCCSA		

	Glenside - Beaumont	58 530
	Unley - Parkside	56 929
	Toorak Gardens	56 727
	Mitcham	56 400
	Walkerville	56 245
Greater Adelaide GCCSA		45 357
Rest of SA		71 281
	Roxby Downs	50 344
	Outback	49 970
	Whyalla	45 848
	Tanunda	45 814
	Port Augusta	
Rest of SA (b)		39 497
South Australia (c)		44 141

(a) Excludes SA2 regions with less than 100 Wage and salary earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

WESTERN AUSTRALIA

The coastal SA2s of City Beach and Cottesloe had the highest average Wage and salary incomes in Greater Perth and Western Australia, at \$86,612 and \$84,413 respectively. As Table 6 shows, Nedlands - Dalkeith - Crawley, Claremont and Swanbourne - Mount Claremont rounded out the top five in Greater Perth.

Karratha, a mining centre in the Pilbara region, had the highest average outside of the Greater Perth area (\$79,669) and the fourth highest average in the state. Other SA2s with high average income in the Rest of state included Port Hedland (\$77,775), Ashburton (\$76,965), Roebourne (\$75,224) and Newman (\$74,082).

In 2009-10, 37.4% (or 85 in number) of SA2 regions in Western Australia had average incomes above the state level (\$53,227). Of these SA2s, 69 were located in the Greater Perth region.

Table 8. TOP AVERAGE WAGE AND SALARY INCOME REGIONS, WESTERN AUSTRALIA, 2009-10

		2009-10
		\$
Top 5 SA2s (a)		
Greater Perth GCCSA		
Greater Perth GCCSA	City Beach	86 612
	Cottesloe	84 413
	Nedlands - Dalkeith - Crawley	81 565
	Claremont	77 957
	Swanbourne - Mount Claremont	77 945
		53 864
Rest of WA		79 669
	Karratha	77 775
	Port Hedland	76 965
	Ashburton	75 224
	Roebourne	74 082
	Newman	
Rest of WA (b)		50 235
Western Australia (c)		53 227

(a) Excludes SA2 regions with less than 100 Wage and salary earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

TASMANIA

The SA2s of Taroona - Bonnet Hill (\$50,977) and Mount Nelson - Dynnyrne (\$50,941), in the south of Hobart, had the two highest average Wage and salary incomes in Tasmania in 2009-10. Greater Hobart's top five was completed by Sandy Bay, West Hobart and Hobart.

Of the areas outside of Greater Hobart, the SA2s of West Coast (\$47,922), Legana (\$44,271) and Waverley - St Leonards (\$43,221) had the highest wage and salary incomes in 2009-10. Ravenswood and Riverside, both with an average Wage and salary income of \$43,220, completed the top five regions outside of Greater Hobart.

In 2009-10, 38.9% of SA2 regions (or 37 in number) in Tasmania had average incomes above the state level (\$41,673). Of these, 20 were located in the Greater Hobart region.

Table 9. TOP AVERAGE WAGE AND SALARY INCOME REGIONS, TASMANIA, 2009-10

	2009-10
	\$
Top 5 SA2s (a)	

Greater Hobart GCCSA		
Greater Hobart	Taroona - Bonnet Hill	50 977
GCCSA	Mount Nelson - Dynnyrne	50 941
	Sandy Bay	50 543
	West Hobart	47 890
	Hobart	47 704
		43 863
Rest of Tasmania		47 922
	West Coast	44 271
	Legana	43 221
	Waverley - St Leonards	43 220
	Ravenswood	43 220
	Riverside	
Rest of Tas (b)		39 898
Tasmania (c)		41 673

(a) Excludes SA2 regions with less than 100 Wage and salary earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

NORTHERN TERRITORY

The SA2s of Ludmilla - The Narrows had the highest annual average Wage and salary income in Greater Darwin at \$57,101. The following four SA2s, all close to central Darwin, also recorded high averages of similar value: Fannie Bay - The Gardens (\$57,098); Larrakeyah (\$57,094); Parap (\$57,088); and Stuart Park (\$57,079).

Anindilyakwa (formerly Groote Eylandt) in the Gulf of Carpentaria had the highest annual average Wage and salary income outside of the Greater Darwin area (\$74,405). It also recorded the highest average in the Northern Territory in 2009-10. Other SA2s (outside of Darwin) with high averages were Nhulunbuy (\$59,245), East Arnhem (\$59,175), Alligator (\$51,853) and Larapinta (\$49,024).

In 2009-10, 67.8% (or 40 in number) of SA2 regions in the Northern Territory had average Wage and salary incomes above the territory average (\$50,746).

Table 10. TOP AVERAGE WAGE AND SALARY INCOME REGIONS, NORTHERN TERRITORY, 2009-10

		2009-10
Top 5 SA2s (a)		\$
Greater Darwin GCCSA		
	Ludmilla - The Narrows	57 101
	Fannie Bay - The Gardens	57 098
	Larrakeyah	57 094
	Parap	57 088
	Stuart Park	57 079
Greater Darwin GCCSA		53 055
Rest of NT		74 405
	Anindilyakwa	59 245
	Nhulunbuy	59 175
	East Arnhem	51 853
	Alligator	49 024
	Larapinta	
Rest of NT (b)		46 606
Northern Territory (c)		50 746

(a) Excludes SA2 regions with less than 100 Wage and salary earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

AUSTRALIAN CAPITAL TERRITORY

The SA2s of Deakin (\$71,957) and Yarralumla (\$71,954) recorded the highest average Wage and salary income in the Australian Capital Territory in 2009-10. The SA2s of Griffith, Red Hill and Forrest rounded out the top five.

In 2009-10, 43.8% (or 43 in number) of SA2 regions in the Australian Capital Territory had average Wage and salary incomes above the territory level (\$57,749).

Also notable: the Australian Capital Territory recorded the highest average Wage and salary income of all states and territories in 2009-10 (\$57,749).

Table 11. TOP AVERAGE WAGE AND SALARY INCOME REGIONS, AUSTRALIAN CAPITAL TERRITORY, 2009-10

	2009-10
Top 5 SA2s (a)	\$

Australian	Deakin	71 957
Capital Territory (b)	Yarralumla	71 954
	Griffith	71 842
	Red Hill	71 841
	Forrest	71 797
		57 749

(a) Excludes SA2 regions with less than 100 Wage and salary earners.

(b) Includes 'SA2 unknown'.

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About this Release

These data cubes contain various cross-tabulations of the characteristics of wage and salary earners such as age, sex, occupation and wage and salary income. For the first time, data these tables are presented for each Statistical Area 2 (under the new Australian Statistical Geographic Standard classification) and each Local Government Area (LGA) in Australia.

These data have been compiled from the Australian Taxation Office's (ATO) Individual Income Tax Return Database and forms part of Australian Bureau of Statistics (ABS) initiatives to increase the range and variety of publicly available regional statistics, using administrative information from other government agencies.

History of Changes

This document was added or updated on 01/03/2013.

01/03/2013. Data cubes 3A, 3B, 4A and 4B, containing back data for 2005-06 to 2008-09, have been added - to supplement the data for 2009-10, previously published on 20/12/12. A consolidated time series was not available at the original time of release.

Explanatory Notes

Explanatory Notes

INTRODUCTION

1 This release contains regional estimates relating to all persons aged 15 years and over who received income from Wages and salaries in the 2009-10 financial year. The previous issue in this series included estimates for the years 2003-04 to 2008-09. A revised time series will be included in the National Regional Profile, 2007-2011, due for release in April 2013. In addition, two summary tables covering 2005-06 to 2009-10 have been included in the spreadsheets attached to this release.

2 The estimates in this release include the number of persons, their income from Wages and salaries, and characteristics such as age, sex and occupation. Key data items in this series (number of persons, income and average income) have already been released in Estimates of Personal Income for Small Areas, Time Series, 2009-10 (cat. no. 6524.0.55.002).

3 This is the first issue to use the new Australian Statistical Geography Standard (ASGS) boundaries. For more information, see the Statistical Geography Portal on the ABS website and paragraphs 46 to 54 below. Data are presented for geographies including Statistical Area Level 2 (SA2), Statistical Area Level 3 (SA3), Statistical Area Level 4 (SA4) and Greater Capital City Statistical Area (GCCSA). Data for local government areas (LGAs), in each state and territory of Australia are also presented.

4 These data have been compiled from postcode level aggregates from the Australian Taxation Office's (ATO) Individual Income Tax Return Database and form part of the Australian Bureau of Statistics' (ABS) program to increase the range of regional statistics available, particularly through the use of administrative information collected

by other government agencies. The ABS wishes to acknowledge the ATO which provided data used in compiling the statistics presented in this release.

BREAKS IN SERIES

5 In recent years there have been breaks in the Wage and salary earners data series, thus limiting its continuity and comparability for some periods. These breaks were associated with the one-off tax bonus introduced as part of the Economic Stimulus Package in response to the Global Financial Crisis. The one-off tax bonus was available to all individuals whose 2007-08 taxable income was \$100,000 or less, whose adjusted tax liability was greater than zero and who had filed their 2007-08 tax return by 30 June 2009. The Australian Taxation Office has reported in their *Taxation Statistics* publications that there was a 7.1% increase in individual tax lodgements for the 2007-08 financial year, in part due to individual lodgements being brought forward to access the tax bonus. This was followed by a fall of 2.8% in individual tax lodgements in 2008-09.

6 In the ABS series published in *Wage and Salary Earner Statistics for Small Areas, 2003-04 to 2007-08*, the number of Wage and salary earners increased by over 8% (to 10.1 million) between 2006-07 and 2007-08, before falling by over 3% in the subsequent financial year. Income derived from Wages and salaries increased by 12.8% (\$50.3 billion) between 2006-07 and 2007-08, but rose by only 2.6% (\$11.4 billion) from 2007-08 to 2008-09. Put differently, series breaks were recorded for persons and total income for Wages and salaries. However, it should be noted that a series break was not recorded for average Wage and salary income in 2007-08.

7 From 2009, there was a change in the classification used by the ATO to code occupation data. The ATO changed from the Australian Standard Classification of Occupations (ASCO) to the Australian and New Zealand Standard of Occupations (ANZSCO). The occupation categories for 2008-09 and 2009-10, as presented in this issue, are thus not comparable to those featured in earlier issues of this product.

SUMMARY OF CHANGES TO THIS SERIES

8 Since the first issue in this series, there have been a number of other changes in the data items included in Wages and salaries, and in the data released. These changes are outlined in the following paragraphs (9 to 16).

9 Estimates of Wage and salary earner statistics for the years 1995-96 to 2005-06 have previously been released in an Information Paper and in *Regional Wage and Salary Earner Statistics, Australia* (cat. nos. 5673.0, 5673.0.55.001 and 5673.0.55.003).

10 Data for 1995-96 to 2000-01 included only 'Gross Wage and salary income' and 'Allowances, tips etc' items from the individual tax return. Data for 2001-02 to 2005-06 included 'Attributable personal services income' in the definition of Wages and salaries.

11 Estimates of Wage and salary earner statistics prior to the 2003-04 to 2006-07 issue related only to persons whose main (or principal) source of income was from Wages and salaries. From the 2003-04 to 2006-07 issue, estimates of Wage and salary earner statistics related to all persons who received income from Wages and salaries. Users should exercise caution when comparing data in the 2003-04 to 2006-07 issue with those published in subsequent issues.

12 In this current issue (mainly containing estimates for 2009-10) and in the previous two issues (containing estimates for the years 2003-04 to 2006-07 and 2003-04 to 2008-09) income from Lump sums and Eligible termination payments have been included in Wages and salaries.

13 In this issue, for the first time, Reportable fringe benefits (gross value adjusted) have been included in total Wage and salary income. Where the value of benefits provided by an employer exceeds \$3,738 in the Fringe Benefits Tax (FBT) reference year (e.g. April 2009 to March 2010), then that value must be reported as the gross taxable value of those benefits on the recipient's payment summary for the similar income year (e.g. 1 July 2009 to 30 June 2010). Since ABS income standards focus on taxable (not gross) values, we have published an adjusted gross value; that is, Reportable fringe benefits adjusted by 0.535 for the 2009-10 data. More information on ATO tax adjustment factors can be obtained from their website: FBT

14 The effect of the inclusion of Reportable fringe benefits (gross value adjusted by 0.535) in Wage and Salary income has been relatively small, increasing the estimate of Total Wages and Salaries income by just over one percent. In 2013, ABS will publish back data for regions for 2005-06 to 2008-09 which will incorporate Reportable fringe benefits (gross value adjusted), thus ensuring comparability over time. The new back data for Wages and salaries will differ however, from information published in the previous issue (for 2003-04 to 2008-09).

15 For the first time, Other net foreign employment source income was separately identified by the ATO on the 2009-10 tax form for individuals (as Question 20T).

16 Previously this item was reported with 'other' income on the tax form and included in the 'Other income (excluding Govt. pensions and allowances)' series. This income item has now been included in Wage and salary

income for 2009-10, in line with ABS income data standards. In 2009-10, Other net foreign employment source income amounted to \$968 million (ATO Taxation Statistics, 2009-10). The impact on the Wage and salary income series has been minor - an estimated 0.2% increase.

CONFIDENTIALITY

17 In 2012, all individual income tax statistics were provided by the ATO to the ABS in aggregate form at the postcode level. Information about individual taxpayers has not been released to the ABS.

18 The ATO has provided ABS with data for 2009-10, plus back data for 2005-06 to 2008-09 incorporating the new data items. The data have been subject to confidentialisation processes that randomly adjust table cells with small values. Therefore, caution should be exercised by users when deducing that there are nil people in an area with certain types of income. In general, no reliance should be placed on table cells with small values. The data have been subject to several transformation steps, for example to convert it from postcode to ASGS geographies. In some cases, the confidentialisation process has been applied at each step to provide extra confidentiality. See **Geographic Correspondences** for more information about the data transformation.

SCOPE AND COVERAGE

19 The scope of these data relate to persons receiving income from Wages and salaries.

20 Wage and salary earners have been defined as: persons aged 15 years and over who have submitted an individual income tax return and have received Wage and salary income in that financial year.

21 Wage and salary income, as reported on the income tax return, includes:

- gross income as shown on the 'PAYG payment summary - individual non-business';
- allowances, commissions, bonuses, tips, gratuities, consultation fees, honoraria and other payments for services. Allowances and other earnings may include car, travel or transport allowances, allowances for tools, clothing or laundry and dirt, risk, meal or entertainment allowances;
- attributed personal services income;
- eligible termination payments;
- lump sums;
- employee share schemes;
- reportable fringe benefits (gross value adjusted by 0.535); and
- other net foreign employment income.

22 It should be noted that this definition does not take account of whether Wage and salary earners work on a full-time or part-time basis. Consequently, differences in the extent of part-time work may account for some differences in the number of Wage and salary earners and average Wage and salary incomes across regions. Similarly, average Wage and salary incomes may be affected by overtime earnings and multiple job holdings.

DATA CONSIDERATIONS

23 There are several data considerations that users should be aware of when analysing the data. Overall, these are not viewed as being so severe that they would lead to the production of misleading information. Users are cautioned to be aware of these considerations and take them into account when analysing the results.

24 For the purposes of providing statistical measures for the entire population, the ATO database has some limitations in its coverage. Persons who receive less than the taxable income threshold are not necessarily required to lodge a tax return. Consequently, the coverage of low income earners is not complete in ATO records.

25 Generally, the ATO considers someone to be an Australian resident for tax purposes if they:

- have either always lived in Australia or have come to Australia to live permanently;
- have been in Australia for more than half of the financial year (unless their usual home is overseas and they don't intend to live in Australia);
- have been in Australia continuously for six months or more and for most of that time have been in the one job and living in the same place;
- are an overseas student enrolled in a course of study for more than six months duration.

Processing of tax returns

26 The data presented in this publication were compiled before the processing of all income tax returns for any given year was completed. Data provided to the ABS by the ATO are from returns processed up to 31 October, 16 months after the end of the financial year. Any returns lodged after this date are not included. Therefore for 2009-10 data, returns processed after 31 October 2011 are not included.

27 Annual revised data is published by the ATO in *Taxation Statistics*, Personal Tax, Table 7 for selected income items. One of these items is 'Salary or wages'. Although this data item is different to the data contained in this release (as it does not include all the items listed in paragraph 21), it can be used to give an indication of the likely direction of change in the number of Wage and salary earners and total Wage and salary income as more tax returns are lodged.

28 As an example, Table 1 below shows that for the 2003-04 income year, an additional 5.1 % of taxpayers earning income from 'Salary or wages' lodged their income tax returns in the six years after the initial processing cut off of 31 October 2005. This translated to a further 5.3% of 'Salary or wages' income being reported, six years onwards.

Table 1. Comparison of ATO Original and revised data - Number of 'Salary or wages' earners and total 'Salary or wages' income, 2003-04

Returns lodged as at:	2003-04			
	Wage and Salary Earners No.	% Change from 31 October 2005	Total Income from Wages and Salaries \$	% Change from 31 October 2005
31 Oct 2005	8 435 280		305 009 561 208	
31 Oct 2006	8 658 015	2.6	313 953 461 851	2.9
31 Oct 2007	8 747 130	3.7	317 085 266 107	4.0
31 Oct 2008	8 793 750	4.2	318 675 652 655	4.5
31 Oct 2009	8 841 265	4.8	320 280 652 016	5.0
31 Oct 2010	8 855 570	5.0	320 772 352 004	5.2
31 Oct 2011	8 865 995	5.1	321 128 753 043	5.3

30 Due to the later lodgement dates for a small portion of tax returns (as shown above) the data provided in this release under-estimates the total taxable income for a given financial year.

Changes in taxation policy

31 The ATO provides information annually in *Taxation Statistics* on their website about changes that may affect taxation statistics. Changes relating to personal income tax are in each edition of *Taxation Statistics*.

32 For the income year 2009-10, a number of changes were noted in Chapter 2 of *Taxation Statistics*, including:

- the change in personal tax thresholds;
- reforms to some entitlements such as tax offsets, deductions and tax concessions, the Medicare levy surcharge and Higher Education Loan Program (HELP) or Student Financial Supplement Scheme (SFSS) repayment amounts;
- the change in definition of a spouse to include same-sex couples;
- the change in treatment of income earned in overseas employment; and
- the changes to the tax treatment of employee share schemes.

33 For the income year 2008-09, a number of changes were noted in Chapter 2 of *Taxation Statistics*, including:

- the change in personal tax thresholds;
- the education tax refund which allows eligible parents to claim a refund on some educational expenses;
- the introduction of first home saver accounts;
- extra HECS/HELP benefits available to mathematics and science graduates and early childhood education teachers in specified locations;
- changes to death benefits for dependants of same sex couples;
- the introduction of the small business and general business tax break;
- the introduction of an upper income limit for certain tax offsets;
- adjustment in the Medicare levy surcharge thresholds; and
- special arrangements for people affected by the bushfires and floods.

34 For the income year 2007-08, a number of changes were noted in Chapter 2 of *Taxation Statistics*, including:

- Personal income tax cuts;
- The increase in the low income tax offset from \$600 in 2006-07 to \$750 in 2007-08;
- The change in access to the entrepreneur tax offset;
- The removal of the un-deducted purchase price of an Australian pension or annuity from deduction items - it is now being accounted for and included in the tax-free component of the Australian annuities and superannuation income streams;
- The removal of age-based limits for claiming a deduction for super contributions;
- The change to super contribution limits where eligible individuals may now claim a full deduction for personal

super contributions; and

- The change to super taxation where most people aged 60 and over who receive super benefits from a taxed source, the payment of a benefit as a lump sum or income stream (such as a pension) is now tax free.

35 For the income year 2006-07, the following changes were noted in Chapter 2 of *Taxation Statistics*:

- Personal income tax cuts;
- The increase in the low income tax offset from \$235 in 2005-06 to \$600 in 2006-07;
- The abolition of the part-year tax-free threshold for individuals who ceased full-time education for the first time;
- Changes to the tax treatment of foreign income and some capital gains for temporary residents;
- An increase in the amount you can claim for contributions to registered political parties, independent candidates and members from \$100 to \$1,500; and
- The entitlement to claim a tax offset if you have to pay the Medicare levy surcharge as a result of you or your spouse receiving a lump sum payment in arrears.

36 For the income year 2005-06, the following changes were noted in Chapter 2 of *Taxation Statistics*:

- Personal income tax cuts;
- The introduction of new measures such as the 30% child care tax rebate, the 25% entrepreneurs' tax offset, transitional incentives to contribute to superannuation; and
- Transition to retirement rules - people aged over 55 can now access superannuation benefits without having to retire or leave their job.

COMPARISON WITH OTHER ABS INCOME AND EARNINGS DATA

Survey of Average Weekly Earnings

37 The Survey of Average Weekly Earnings (AWE) is a quarterly sample survey of employing businesses. For further information about the concepts, definitions and methodology of AWE, refer to Labour Statistics, Concepts, Sources and Methods (cat. no. 6102.0.55.001).

38 The Survey of Average Weekly Earnings collects data on average weekly earnings for full-time adult employee jobs, average weekly total earnings for all employee jobs, and average weekly ordinary time earnings for full-time adult employee jobs. Table 3 shows ATO average Wages and salaries income for 2007-08, 2008-09 and 2009-10 and 'average weekly total earnings for all employee jobs' from AWE. Table 2 shows that both series have tracked reasonably closely in recent years.

Table 2. COMPARISON OF ATO AND AWE TOTAL EARNINGS

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000
ATO	43.9	46.6	48.9
AWE(a)	45.7	47.5	50.0

(a) Based on original series, four quarter averages to May - annualised..

Survey of Income and Housing

37 The ABS Survey of Income and Housing (SIH) collects information on sources of income, amounts received and the characteristics of persons aged 15 years and over resident in private dwellings throughout Australia. The survey was conducted every year from 1994-95 to 1997-98, and then in 1999-2000, 2000-01 and 2002-03. Since 2003-04, the survey has been conducted every two years. The latest survey was for 2009-10. For further information about the concepts, definitions, methodology and estimation procedures used in the SIH, refer to Survey of Income and Housing, User Guide, 2005-06 (cat. no. 6553.0).

38 Data collected from SIH can be reasonably compared to ATO data published in this release for the years 2005-06, 2007-08 and 2009-10. Comparison of these data provides a means of assessing data series - of establishing whether counts or estimates are of an expected magnitude.

39 SIH produces estimates of current income as well as estimates of annual income in respect to the previous financial year. Current income refers to income being received at the time the data were collected from respondents.

40 The data used in the following comparison are based on current income estimates as these are thought to provide a better picture of income earners, are more up to date and are generally reported more accurately than previous financial year estimates.

41 Table 3 presents ATO Wages and salaries income and SIH data for 2005-06, 2007-08 and 2009-10. ATO estimates for Wages and salaries income were lower than SIH income data for all three reference periods, reaching 87.6% of the SIH total in 2009-10

Table 3. COMPARISON OF ATO AND SIH WAGE AND SALARY INCOME DATA (a)(b)

	2005-06 \$b	2007-08 \$b	2009-10 \$b
ATO (c)	369.2	446.5	478.7
SIH (d)	402.1	513.1	546.6

- a) ATO data includes data that could not be allocated to a state or territory.
b) SIH data is current estimates rather than previous financial year.
c) Series break for ATO data from July 2007. See paragraphs 5 and 6, above.
d) SIH data includes non cash benefits in wage and salary income.

42 The differences observed between the two sets of income data are likely to be as a result of different definitions, collection methodologies (e.g. a sample survey of businesses versus an administrative collection based on individual returns) and data reference periods.

43 The higher SIH wage and salary estimate is in part due to the inclusion of non-cash benefits (including salary sacrificed income) in this income source. Reporting on a current income (rather than previous financial year) basis may also have an impact on the estimates.

STATISTICAL GEOGRAPHY

46 The Australian Statistical Geography Standard (ASGS), July 2011, is now used by the ABS for the collection and dissemination of geographically classified statistics - replacing the former Australian Standard Geographic Classification (ASGC). The ASGS is an essential reference for understanding and interpreting the geographic context of statistics published by the ABS and its use enables comparability across datasets. The ASGS has been introduced by the ABS, in part, to obtain more consistency in population size across similar region types, to achieve more data stability and continuity and thereby minimise the need for annual geographic review.

47 ATO data at postcode level has undergone a number of steps to transform the information to the required levels of geography for this release. Data was transformed from postcode to SA2 and then from SA2 to the other geographies required. While this has introduced some error into the estimates (due to the assumptions implicit in correspondences, as discussed **Geographic correspondences**, paragraphs 48 to 52) - compared to transforming directly from postcode to the required geographies - it has not diminished the usefulness of the data and has provided additional confidentialisation. (See paragraphs 17 and 18).

Geographic correspondences

48 The ABS uses geographic correspondences to enable the conversion of data from one type of geographic region to another. The geographic correspondences used for these data are expressed as conversion factors based on population.

49 The geographic identifier on the ATO database is the postcode of an individual's current home address at the time of completing the tax return. Consequently, postcode to SA2 conversion factors have been used by the ABS to transform aggregated postcode data to estimates for SA2, and these have then been used to aggregate the data up to SA3 and SA4 regions. The SA2 data have also been transformed to LGAs, using an SA2 to LGA correspondence. The correspondences are based on 2011 Census population distributions. For more information, or to view or download these tools, please access Correspondences on the Statistical Geography Portal, ABS website.

50 Applying correspondences:

- Enables converted data to be more easily compared with other standard ABS output;
- Enables the data to be output for other standard ABS geographic areas such as SA3, SA4, GCCSA and LGAs; and
- Provides flexibility so that data can be provided for the various and different regions of interest being studied by users of regional data.

51 When analysing data transformed by correspondences, the following points need to be taken into account:

- In applying the correspondences it is assumed that the particular characteristics of any data item are uniformly distributed across a postcode area. Therefore, data transformed by correspondences may not truly reflect the distribution of the characteristics of the population. In some cases, where the same postcode is split across

two or more SA2 and there are no other contributing postcodes, distinct numerical estimates will be derived but rates or averages will be identical for each SA2 (as these will be equivalent to the original rate or average of the contributing postcode);

- The conversion factors are based on total population only but have been applied across all ATO data items, i.e. the number of wage and salary earners, wage and salary income, total income and sex, age and occupation groups;
- Some official postcodes (such as PO boxes, etc.) do not correspond to residential areas but may still have been reported under the current home address field on the income tax return. Data for these and other 'invalid' postcodes, such as those due to incorrect reporting or processing errors, have been included in an 'unknown' category for each State and Territory and for Australia where the state or territory was not known;
- Data transformed by correspondences have been rounded so slight discrepancies may occur between sums of the component items and totals; and
- Some correspondences vary in terms of their quality, completeness and utility. Each ABS correspondence is published with a quality measure (for the overall correspondence) and quality indicators (for the many, specific region to region links within the correspondence). These can be viewed in tables 1 and 2 of each downloadable correspondence spreadsheet. The possibility of region to region mismatches arising from the presence of missing 'to units', or regions being below minimum output size, or the presence of null fields, are also recorded, in tables 4, 5 and 6 of each correspondence spreadsheet.

52 While care is taken in producing the correspondences, the ABS cannot guarantee the accuracy of data transformed by correspondences.

Geographic regions

53 The statistics in this electronic release and accompanying data cubes are presented according to the Australian Statistical Geography Standard (ASGS), July 2011. Under this classification, statistical areas are defined as follows:

- **Local Government Areas (LGA):** These areas are the spatial units which represent the geographical areas of incorporated local government councils. LGAs include sub categories such as Cities (C), NSW Local Government Areas (A), Boroughs (B), Rural Cities (RC), Towns (T), Shires (S), District Councils (DC), Municipalities (M), SA Municipal Councils (M), SA Regional Councils (RegC), Qld Regional Councils (R) and SA Aboriginal Councils (AC);
- **Statistical Area Level 2 (SA2):** These are general purpose, medium sized areas designed to represent communities that interact socially and economically. SA2s generally have an average population of 10,000 persons, or a population size range of 3,000-25,000 persons, tending towards the lower limit of this range in rural and remote regions. There are 2,214 SA2s, Australia wide.
- **Statistical Area Level 3 (SA3):** This geography has been created as a standard for the analysis of ABS data at broader geographies through the clustering of SA2s with similar regional characteristics. Generally, SA3s have a population size range of 30,000-130,000 persons. There are 351 SA3s Australia wide.
- **Statistical Area Level 4 (SA4):** These are the largest sub-state regions within the main structure of the ASGS. They have been primarily designed to output labour force data, reflecting recognised major labour market regions in each jurisdiction. Population size can range from 100,000 -300,000 persons, tending towards the lower limit in rural and regional areas. There are 106 SA4s.
- **Greater Capital City Statistical Area (GCCSA):** These geographies, comprising 8 capital cities and their wider metro surrounds, are aggregations of SA4s. When combined with 7 Rest of State/Territory regions, they cover the whole of Australia without gaps or overlaps, aggregating directly to all States and Territories. A slight exception: the entire Australian Capital Territory comprises one GCCSA, without a 'Rest of' regional component.

54 Further information regarding the ASGS regions, including the detailed classification, metadata, maps and downloadable boundary files, can be accessed from the ABS Statistical Geography Portal on the ABS website.

FURTHER INFORMATION

55 For further information about these and other statistics, please contact the National Information and Referral Service on 1300 135 070.

Abbreviations

Document content:

ABBREVIATIONS

A Area
ABS Australian Bureau of Statistics
AC Aboriginal Council
ACT Australian Capital Territory
ANZSCO Australian and New Zealand Standard Classification of Occupations
ASGC Australian Standard Geographical Classification
ASGS Australian Statistical Geography Standard
ASNA Australian System of National Accounts
Ave Average
ATO Australian Taxation Office
B Borough
b billion/s
cat. no. Catalogue number
C City
DC District Council
excl. excludes
FBT Reportable fringe benefits tax
Govt Government
GCCSA Greater capital city statistical area
HES Household Expenditure Survey
LGA Local government area
M Municipality/Municipal Council
NSW New South Wales
NT Northern Territory
PAYG Pay-as-you-go tax
Qld Queensland
OUB Own unincorporated business
R Regional Council
RC Rural city
S Shire
S/T State or territory
SA South Australia
SA2 Statistical area level 2
SA3 Statistical area level 3
SA4 Statistical area level 4
SIH Survey of Income and Housing
T Town
Tas Tasmania
Vic Victoria
WA Western Australia

Quality Declaration

INSTITUTIONAL ENVIRONMENT

These estimates of personal income published by the ABS are sourced from the Australian Taxation Office (ATO). The ATO collects personal income tax information from the lodgement of personal income tax returns as part of their role to 'manage and shape tax, excise and superannuation systems that fund services for Australians' [Source: <http://www.ato.gov.au> 'About Us'] .

The ATO compiles a range of data from this collection for release on the ATO website. An extract of personal income tax is provided to the ABS on an annual basis under a Memorandum of Understanding (MOU) between the ABS and the ATO.

All individual income tax statistics are provided to the ABS by the ATO in aggregated form only, at the Statistical Local Area (SLA) level. Information about individual taxpayers has not been released to the ABS.

For information on the institutional environment of the ABS, including the legislative obligations of the ABS, financing and governance arrangements, and mechanisms for scrutiny of ABS operations, please see ABS Institutional Environment.

RELEVANCE

Personal income data for Wage and salary earners are produced at regional (small area) level to provide valuable information about regional economies and the income of individuals resident in regions. Moreover, annual regional

level income data are not available from existing ABS censuses and surveys.

The scope of the personal income tax data includes individuals who submit an individual income tax return to the Australian Tax Office.

Data items for individuals include number of 'taxable' and 'non-taxable individuals', and 'taxable income'.

The main statistical releases from ATO personal income tax data are:

1. Counts of taxable and non-taxable individuals, and amount of taxable income;
2. Number of persons and amount of income from Wages and salaries, Own unincorporated business, Investment, Superannuation and annuities, Other income (excluding Government pensions and allowances), Total income (excluding Government pensions and allowances);
3. Number of Wage and salary earners, income earned and average Wage and salary income by various cross-classifications (age, sex, occupation and income range).

Data for income categories in 2. and 3. above are aggregated from items in the individual income tax return, and are selected to conform as closely as possible to ABS Income Standards.

These statistical releases are presented at the following levels of geography as per the Australian Statistical Geography Standard (ASGS): Statistical Area Level 2 (SA2); Statistical Area Level 3 (SA3); Statistical Area Level 4 (SA4); Greater Capital City Statistical Area (GCCSA); Local Government Area (LGA); plus state/territory and Australia.

Occupation data for Wage and salary earners are presented using the Australian and New Zealand Standard Classification of Occupations (ANZSCO).

TIMELINESS

Individuals may lodge income tax returns in respect of each financial year (1 July to 30 June). Personal income tax data are provided to the ABS approximately 22 months after the income year. Data are taken from an annual extraction from the ATO database as at 31 October each year (16 months after the income year). For example, data for the 2009-10 year was extracted as at 31 October 2011 and initially provided to the ABS in July 2012, along with some revised back data in September 2012. Data are released annually by the ABS.

ACCURACY

Personal income tax data are derived from information contained in personal income tax returns lodged with the Australian Taxation Office. For the purposes of providing statistical measures for the entire population, the ATO database has some limitations in its coverage. Persons who receive less than the taxable income threshold are not necessarily required to lodge a tax return. This can include persons who derive their income from government pensions and allowances. Consequently, the coverage of low income earners, including people receiving government pensions and allowances is not complete in ATO records. In addition, a number of Commonwealth of Australia government pension, benefit and allowance payments are exempt from income tax and are therefore not required to be included in tax returns.

Data are provided by the ATO before the processing of all income tax returns for any given year may have been completed. Data provided to the ABS by the ATO are from returns processed up to 31 October, 16 months after the end of the financial year. It is estimated that approximately an additional 3% of taxpayers lodge their income tax returns in the twelve months after the initial processing cut off each year and approximately 5% of taxpayers lodge their income tax returns in the three years following the processing cut off. This means that data provided to the ABS slightly under-estimate the number of income earners and the total income they earn.

Caution should therefore be exercised in deducing that there are no people in an area with certain types of income and, in general, no reliance should be placed on table cells with small values.

COHERENCE

Personal income tax statistics can be impacted by changes to Tax legislation. The ATO outlines any such changes in their annual release of 'Taxation Statistics' on the ATO website.

Data for income categories described above (see Relevance) are aggregated from items in the individual income tax return, and are selected to conform as closely as possible to ABS Income Standards. There have been several changes, as reflected in the data released for 2001-02 to 2005-06, then for 2003-04 to 2008-09; and for 2008-09 to 2009-10.

Release	Reference periods	Government pensions and allowances	Wages and salaries inclusions	Number of individuals
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5673.0 and 5673.0.55.001	1995-96 to 2000-01	Included	<ul style="list-style-type: none"> • Gross wage and salary income • Allowances, commissions, tips etc. 	Individuals with positive net income
5673.0.55.003	2001-02 to 2005-06	Excluded	<ul style="list-style-type: none"> • Gross wage and salary income • Allowances, commissions, tips etc. • Attributed personal services income 	Individuals with positive net income
5673.0.55.003	2003-04 to 2006-07 2003-04 to 2007-08 2003-04 to 2008-09	Excluded	<ul style="list-style-type: none"> • Gross wage and salary income • Allowances, commissions, tips etc. • Attributed personal services income • Lump sums • Eligible termination payments • Employee share schemes (from 2008-09) 	Individuals with positive and negative net income
5673.0.55.003	2009-10	Excluded	<ul style="list-style-type: none"> • Gross wage and salary income • Allowances, commissions, tips etc. • Attributed personal services income • Lump sums • Eligible termination payments • Employee share schemes • Reportable fringe benefits (gross value adjusted by 0.535) • Other net foreign employment source income 	Individuals with positive and negative net income

Breaks in Series

Changes in taxation policy can occur in any income year and can, for example, influence whether an individual needs to lodge a tax return, and what is required to be reported on the tax form.

There have been a number a number of recent breaks in series. One break was associated with the introduction of a one-off tax bonus introduced as part of the Economic Stimulus Package in response to the Global Financial Crisis. This one-off tax bonus was available to all individuals whose 2007-08 taxable income was \$100,000 or less, whose adjusted tax liability was greater than zero and who had filed their 2007-08 tax return by 30 June 2009. The Australian Taxation Office has reported in their *Taxation Statistics* publications that there was a 7.1% increase in individual tax lodgements for the 2007-08 financial year, in part due to individual lodgements being brought forward to access the tax bonus. This was followed by a fall of 2.8% in individual tax lodgements in 2008-09.

Further information about breaks in series can be obtained from the Explanatory Notes in the 2008-09 and 2009-10 issues of this release.

Changes in Occupation Classification from 2008-09 onwards

In addition to the break in series associated with the introduction of the one-off tax bonus, there was a change in the classification used by the ATO to code occupation data. In 2009 the ATO moved from using the Australian Standard Classification of Occupations (ASCO) to the Australian and New Zealand Standard of Occupations (ANZSCO). This means that the occupation data presented in this issue are not comparable to data featured for 2003-04 to 2007-08, in earlier issues of this product.

Other ABS Data

Other ABS sources of income data are:

- the Survey of Income and Housing;
- the Survey of Average Weekly Earnings;
- the Census of Population and Housing.

The ABS Survey of Income and Housing (SIH) collects information on sources of income, amounts received and the

characteristics of persons aged 15 years and over resident in private dwellings throughout Australia. Data collected from SIH can be compared to ATO personal income tax data published in Estimates of Personal Income for Small Areas (cat no. 6524.0.55.002) and Wage and Salary Earner Statistics for Small Areas (cat no. 5673.0.55.003) at the Australia level. Small area estimates are not released from the SIH. Comparison of these series for Australia can provide a means of assessing trends, establishing whether counts are of an expected magnitude and whether the distribution of income across the various sources is similar. The ATO personal income tax data contained in this release is generally consistent in magnitude with the estimates derived from the ABS Survey of Income and Housing at the Australia level.

The Survey of Average Weekly Earnings (AWE) is a quarterly sample survey of employing businesses. It collects data on average weekly earnings for full-time adult employee jobs, average weekly total earnings for all employee jobs, and average weekly ordinary time earnings for full-time adult employee jobs. Small area estimates are not released from AWE. The ATO Average Wage and Salary income as presented in Wage and Salary Earner Statistics for Small Areas (cat no. 5673.0.55.003) can be compared at the Australia level with the 'average weekly total earnings for all employees jobs' from the survey of Average Weekly Earnings. These two series items are generally consistent in magnitude at the Australia level.

Income data are also available every five years in the Census of Population and Housing, with the latest data (2011 Census) recently becoming available. The Census provides total income data for households, families and individuals.

INTERPRETABILITY

Taxable income is calculated on the personal income tax as total income or loss minus total deductions.

Personal income tax data releases all contain detailed Explanatory Notes that provide information on scope and coverage, confidentiality, changes to the data over time, geographical presentation of the data, classifications and other technical aspects associated with these statistics.

ACCESSIBILITY

All personal income tax data provided to the ABS from ATO, is released to the ABS website in:

- National Regional Profile (contains Taxation Statistics, income estimates by source and Wage and salary earners statistics in html web pages, excel spreadsheets, SuperTABLE datacubes and a .csv file)
- Estimates of Personal Income for Small Areas (cat no: 6524.0.55.002) - contains a summary main features and Excel spreadsheets.
- Wage and Salary Earner Statistics for Small Areas (5673.0.55.003) - contains a summary main features and Excel spreadsheets.